

# REPORT

## OF

# THE JOINT COMMITTEE,

APPOINTED TO EXAMINE INTO THE CONDITION OF  
THE BRANCH OF THE BANK OF THE  
STATE, AT CAMDEN.

*South Carolina - Legislature*

The Joint Committee, appointed to examine into the condition of the Branch of the Bank of the State, at Camden, respectfully submit the following as the result of their investigation. On the 1st of October, of the current year, the condition of that Branch was as follows:

By Notes discounted	-	-	-	-	\$412,787 57
" do. protested	-	-	-	-	9,955 04
" do. in suit	-	-	-	-	100 00
" do. in judgment	-	-	-	-	24,740 06
" Drafts in Charleston	-	-	-	-	9,323 00
" do. protested	-	-	-	-	400 00
" Bonds	-	-	-	-	20,570 35
" The Merchant's Bank, New York,	-	-	-	-	1,929 20
" The Branch Bank at Columbia	-	-	-	-	871 43
" Real Estate	-	-	-	-	860 02
" Salaries paid	-	-	-	-	6,000 00
" Incidental expenses	-	-	-	-	136 99
" U. S. Branch Mint, at Charlotte,	-	-	-	-	47
" Bullion account	-	-	-	-	82 77
" Cash on hand	-	-	-	-	27,442 03
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					\$515,198 93

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To Discount Account	-	-	\$23,600	71
" Interest do.	-	-	6,556	53
" Exchange do.	-	-	1,876	82
" do. do. North	-	-	56	36
" Protest do.	-	-	128	00
" Individual Depositors	-	-	25,168	43
" The Mother Bank	-	-	457,747	80
" Bank S. S. C. on J. W. Cantey's bond			64	28
			\$515,198	93

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Nett profits for the year ending 30th Sept. 1851,      \$26,081 43

The Committae have no reason to doubt that the debts due to the Bank are well secured, and will be realized, except seven hundred and ten dollars of the notes, which are admitted to be desperate. This sum bears so small a proportion to the whole amount loaned, as to challenge a comparison with any of the business pursuits of men, whether in banking or otherwise, as to the amount of losses sustained in their operations.

The whole amount now outstanding, in notes, bonds, and judgments, is four hundred and sixty-eight thousand, one hundred and fifty-three dollars. This has been distributed amongst five hundred and twenty-three debtors, averaging about eight hundred and ninety-five dollars to each. The largest debts are due upon bonds, of which there are but three in number; two of them, however, absorbing an amount of the funds of the Bank very much disproportioned to the other debtors.

These bond debts were contracted in 1834, 1835 and 1840, respectively. Upon these, very little more than the interest has yet been paid, except one, upon which the balance of principal now due is a little more than one third of the original debt. The Committee are of opinion that these bonds should be collected in as short a time as a just regard for the interests of the debtors and the Bank will permit; and have signified to the President, that such steps should be taken as will ensure their collection, in four equal annual instalments. Although these debts are well secured, yet, the policy of permitting the funds of the Bank to remain for so long a time in the hands of one or two individuals, whilst others may be asking in vain for accommodations, denied to them by reason of such considerable sums remaining locked up beyond their reach, is such a policy as the Directors should by no means pursue.

The Committee deem it proper to bring to the notice of the Legislature the salaries allowed to the officers of the Bank, with the view of recommending certain alterations therein :

The President is allowed	-	-	-	\$1,900 00
" Cashier "	-	-	-	1,500 00
" Discount Clerk "	-	-	-	1,400 00
" Out-door do. "	-	-	-	1,200 00

If the last named officer is not altogether unnecessary, (as some of the Committee believe,) he is at least very much over-paid. His services are said to consist in protesting notes, giving notices of notes running to maturity, and performing some other offices in the Bank, not requiring any great degree of either skill or labor. Notaries may always be found ready to perform the usual duties of that office, for the customary *fees*, payable by the delinquent debtors themselves, and who would be very willing to relieve the Bank from the expense of paying a salary for those services. The labor of giving notice of notes running to maturity might very well be transferred to the office of the Discount Clerk, without adding unreasonably to his duties. The Committee therefore recommend that the office of Out-door Clerk, in the Branch Bank at Camden, be abolished.

The indebtedness of the Directors amount to the sum of twenty thousand, eight hundred and fifty dollars (\$20,850,) being an average of four thousand, one hundred and seventy dollars, (\$4170) to each. The officers of the Bank are indebted the sum of ten thousand two hundred and two dollars (\$10,202.) Both these sums are well secured, and seem to the Committee to be reasonable in amount.

The Committee cannot but feel, that their duties have been somewhat imperfectly discharged, unless they had subjected *every entry* in the books, to the closest scrutiny. The magnitude of such an undertaking, that would have furnished for the Committee the same employment almost as constitutes the duties of all the officers of the Bank for the whole year, has forced the Committee to deal with *results*, instead of items leading to them. These have been furnished by the officers of the Bank with the utmost courtesy, and also, all such copies from their books as have been requested. The high character sustained by the gentlemen who have the management of its business, is a satisfactory assurance that their officia

duties are discharged with ability and fidelity, and the Committee have relied implicitly upon all such explanations as they have been requested to make, and upon the statements that have been furnished. The books were freely opened for inspection, whenever called for, and bore evidence of having been kept in a business like manner. The cash as reported, was carefully counted, and corresponded strictly with the amount charged. The Committee therefore cannot hesitate to believe that the books are faithful records of the results appearing from them, and may be safely relied upon, as exhibiting fairly, the real condition of the Bank. In this belief, they have adopted general statements, taken from the books, without examining every item leading to them, which would have been the labor of perhaps a whole year, instead of the time usually devoted to such investigations. All of the Committee are however perfectly satisfied, that there was no need for such extreme particularity; that this report will place before the Legislature, all the facts necessary for that body to form a correct opinion as to the actual condition of this branch.

In conclusion, the Committee cannot withhold the expression of their opinion, that the officers of this branch of the Bank of the State, are diligent, able, and faithful—and in all respects worthy the continued confidence of the Legislature.

C. W. DUDLEY,

*Chairman of the Committee of the Senate.*

ALFED M. LOWY,

*Chairman of the Committee of the House of Representatives.*



## REPORT

### OF THE MINORITY OF THE COMMITTEE APPOINTED TO INVESTIGATE THE CONDITION OF THE BRANCH OF THE BANK OF THE STATE AT CAMDEN.

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A minority of the Committee appointed to examine into the condition of the Branch of the Bank of the State at Camden, although fully concurring in all that has been said in the report of a majority of the said Committee, beg leave to submit an addition thereto, in which that majority do not concur.

This Branch shows an indebtedness to the mother Bank, of four hundred and fifty seven thousand eight hundred and twelve dollars eight cents, (\$457,812,08)—to individual depositors, of twenty five thousand one hundred and sixty eight dollars forty-three cents (\$25,168,43)—making in all the sum of four hundred and eighty two thousand nine hundred and eighty dollars, fifty-one cents, (\$482,980,51.) Taking this latter sum, as the amount employed in banking operations, the interest of it for one year, at seven per cent, would be thirty-three thousand eight hundred and eight dollars sixty-three cents, (\$33,808,63)—which sum, set off against the nett profits, (twenty-six thousand and eighty-one dollars, forty-three cents,) would show a profit, *less than seven per cent*, of seven thousand seven hundred and twenty-seven dollars, twenty cents (\$7,727,20.) For this, neither the Directors nor officers of the Bank are in any wise culpable, for it seems to be the necessary result, which the incidental expenses of the business of banking bears to the small amount of capital employed at Camden. If this be increased, it will necessarily abstract funds from Charleston or Columbia, and diminish profits there. Besides, if there were

no expenses at all, to be paid out of the profits at Camden, still those profits could not be expected to exceed seven per cent, under the ordinary business of that branch. For it does not bank upon any thing, except actual capital. It cannot, like other banks, issue bills to a higher amount, and bank upon them, but is compelled to deal only with its capital, and not with its credit. Under these circumstances, nothing more can be expected from the Bank at Camden, than to realise seven per cent, upon the funds sent to it from Charleston, and from that to deduct the necessary expenses, to wit: six thousand one hundred and thirty-seven dollars. This is inevitable, and seems to a minority of the Committee, a very strong reason, on the score of economy, for discontinuing the branch at Camden, and in lieu thereof, establishing an agency there.

This arrangement we think will save to the State, at least five thousand dollars a year, and will not narrow the accommodations of that section of the country, injuriously. There is another Bank at Camden, which, in the business of discounting notes, would be able to furnish all the accommodations in that way, that would be necessary—whilst the contemplated agency of the Bank of the State, would still farther increase the circulation, by discounting drafts to any amount that the business of the country required. Believing therefore, that an agency of the Bank of the State at Camden, would answer all the useful purposes of the branch at that place, with at least five thousand dollars less expense, we cannot, as a measure of economy, refrain from expressing to the Legislature our opinion, that the branch of the Bank at Camden should be discontinued, and an agency established there, in lieu thereof.

C. W. DUDLEY,  
JOHN W. HARRINGTON.



